

1                   **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
2                   **IN AND FOR THE COUNTY OF MARICOPA**

3           SUSAN MORAN and JOHN UDALL,

4                               Plaintiffs,

5                               vs.

6           GALE L. GARRIOTT, in his capacity as  
7           Director of the Arizona Department of Revenue,  
8           the ARIZONA DEPARTMENT OF REVENUE  
9           of the State of Arizona,

10                               Defendants.

No. TX 97-00119

No. TX 97-00131

No. TX 97-00150

(Consolidated)

**SUMMARY NOTICE OF PROPOSED  
SETTLEMENT**

(Assigned to the Honorable  
Mark W. Armstrong)

11  
12                   **SUMMARY NOTICE OF PROPOSED SETTLEMENT AND**  
13                   **HEARINGS ON PROPOSED SETTLEMENT**

14   **TO: ALL PRESENT AND FORMER FEDERAL EMPLOYEES WHO PAID ARIZONA**  
15   **INCOME TAXES ON MANDATORY FEDERAL RETIREMENT CONTRIBUTIONS**  
16   **DURING ANY ONE OR MORE OF THE YEARS 1985 TO AND INCLUDING 1990,**  
17   **TOGETHER WITH THEIR SURVIVORS, SPOUSES, HEIRS, SUCCESSORS,**  
18   **ESTATES AND PERSONAL REPRESENTATIVES AND WHO FOR ANY ONE OR**  
19   **MORE OF THE YEARS 1985 TO AND INCLUDING 1990 HAVE NOT BEEN PAID A**  
20   **REFUND OF ALL SUCH TAXES PAID.**

21       NOTICE IS HEREBY GIVEN THAT: on April 19, 2006 the parties to this litigation  
22       ("Litigation") entered into a Stipulation of Settlement (the "Settlement") proposing to settle this  
23       Litigation upon certain terms and conditions; and pursuant to an Order of the Tax Court, a hearing  
24       will be held on August 4, 2006 (the "Final Approval Hearing") at 9:00 a.m. (Arizona time) in the  
25       Arizona Tax Court, Maricopa County Superior Court, Northeast Regional Court Center, 18380  
26       North 40th Street, Phoenix, Arizona 85032, Courtroom 109 for the purpose of determining whether  
27       terms of the Settlement should be finally approved by the Tax Court and the amount to be awarded  
28       Plaintiffs' Counsel for attorneys' fees and expenses. The hearing may be adjourned from time to  
      time without further notice.

1 If you paid Arizona individual income taxes on mandatory federal retirement contributions  
2 reported on your federal tax return during any one or more of the years 1985 to and including 1990,  
3 you may be entitled to a refund. However, to receive a refund under the Settlement, you must have  
4 filed an individual refund claim with the Arizona Department of Revenue before July 9, 1998, and  
5 must meet the other eligibility requirements of the Settlement.

6 A federal employee refund Claimant may object to all or any of the proposed Settlement and  
7 the application for attorneys' fees, **provided that any objection must be submitted in accordance**  
8 **with the requirements stated in the Notice of Settlement and Settlement Hearings.**

9 The above description of the matters involved in this Litigation and proposed Settlement is  
10 only a summary. You are referred to the pleadings, the Stipulation of Settlement and other papers  
11 filed in the Litigation, which may be inspected during regular business hours at the office of the  
12 Clerk of the Maricopa County Superior Court for a complete description of the terms thereof. If you  
13 have questions concerning this Notice, you may obtain additional information in person at any  
14 Arizona Department of Revenue office, or by written or telephone request at Arizona Department of  
15 Revenue, P.O. Box 29099, Phoenix, Arizona 85038-9099, (602) 716-7878, attention FERC  
16 Settlement.

17 In addition, copies of the "Notice of Settlement and Settlement Hearings," the "Stipulation of  
18 Settlement" and the Tax Court's preliminary rulings concerning this Settlement are also available at  
19 [www.azdor.gov](http://www.azdor.gov) and from Plaintiffs' Counsel at [www.ferc2refunds.com](http://www.ferc2refunds.com).

20  
21 **PLEASE DO NOT CONTACT THE TAX COURT**  
22 **OR THE CLERK'S OFFICE DIRECTLY FOR SUCH INFORMATION**  
23

24 DATED: April 25, 2006

25 /s/ Mark W. Armstrong  
26 Hon. Mark W. Armstrong  
27 Judge of the Superior Court  
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